

The Use of Strategic Planning Tools and Techniques in Saudi Arabia: An Empirical study

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The study highlights the importance of strategic planning tools and techniques. Webster et al. (1989) argued that the usage of available tools and techniques will enhance managers' analytical and diagnostic skills. The study utilizes thirteen tools and techniques in the questionnaire. Literature review was conducted to support the argument made by Webster et al. (1989). Out of the 72 Saudi organizations investigated, only 10% of the planners reported using these techniques regularly with an additional 17% saying only use them frequently. The most regularly and widely used technique is analysis of critical success factors, followed by benchmarking, and then what if analysis. Swat analysis, product life cycle, and stakeholder analysis had received moderate use, while Pims, experience curve, portfolio analysis, and value chain analysis had received very limited use. Finally, Delphi, cognitive mapping, and Porter's five-force analysis were found to be the least used tools in the sector analysis, the 17 joint venture firms and the 29 large turnover firms declared the greatest use of many of these tools and techniques in comparison with other sectors involved in the study. On average, almost half of the respondents reported that they do not use these strategic tools in their planning activities.

Introduction

Successful organizations now more than ever recognize the importance of strategic planning in achieving desired business results. Companies clearly have a competitive advantage when they can develop an effective strategic plan. As the saying goes, "If you don't know where you are going, any road will take you there."

Most business leaders recognize the importance of strategic planning, but few succeed at translating their strategies into business results. There is an obvious scarcity of research on strategic planning in the Arabian Gulf region, and in Saudi Arabia in particular.

The analysis reported here is an attempt to assess the level of using of strategic planning tools and techniques in Saudi Arabia. A working paper by Salem M Al Ghamdi and Sami Al- Wuhaibi (2001) investigated the extent of strategic planning activities in Saudi Arabian companies. The findings showed that Saudi companies are aware and use some form of strategic planning. We are intended in this study to find out what are the tools and techniques used by Saudi companies for such activity.

Among many available tools and techniques worldwide, only thirteen tools and techniques were included in the questionnaire (Webster, 1989). These tools and techniques were selected from similar questionnaires conducted on other countries. The selection criteria for these tools are based on an indication of high popularity by firms operating at those surveyed countries. These tools include SWOT analysis, Portfolio analysis, analysis of critical success factors, Porter's five-force analysis, experience

curve analysis, PIMS analysis, what if analysis, stakeholders analysis, value chain analysis, benchmarking, product life cycle analysis, cognitive mapping, and Delphi technique.

Literature Review

Strategic planning is a proactive move that puts an organization in a better position than one that only reacts to emerging events. Its ultimate objective is to close the gap between where the organization is now, and where it would like to be (Gooderham, 1998). It sets direction and a context for decision making so that subsequent decisions at the subunit level can be made in harmony (Gooderham, 1998). Because reaction alone leads nowhere. Action in the short term reality has no meaning unless it takes place in the long term context of a plan. (Godet, et al., 1996)

However, strategic planning should not be perceived to eliminate uncertainty surrounding an organization through illusory prediction. But it aims to reduce it as far as possible, change the mental models of the key decision-maker, and to make decisions based as little as possible on hypothetical futures (Schriefer, 1998). According to Bain & Company's fourth annual survey of management tools and techniques, 89% of the surveyed international managers use strategic planning to drive success through their organizations (Gooderham, 1998). At least strategic planning process should lead to the necessary adaptive ness or even survival of an organization in the future. (Glister & Falshaw, 1999).

Nowadays, the use of strategic management is not optional any more. It is perceived as a mandatory decision in front of serious challenges that organizations have been experiencing. Trends such as globalization, technology advancement, deregulation, emerging of new markets and industries, and economic restructuring have greatly increased the organization's need to develop its unique strategy. As expressed by Wilson, navigation through such an environment requires a strategic compass. There are high costs to this on-again/off again approach that organizations applied previously on using strategic management, the loss of the strategic direction of a company (Wilson, 1998). While strategic planning is still evolving, researchers and practitioners have been working hard to solidify it and finalize their divergent approaches. Some of their important recommendations are summarized below. Some of these recommendations support either the intuitive school or analytical school. And the other recommendations combine the two schools.

Intuitive school: The future is being created through the strategic process. The dialogue between people shapes our view and our assumptions and therefore our choices and behaviors. Looking for gaps in the implicit assumptions underlying the strategy and answering insightful questions is more productive than analytical data (Simpson, 1998; Gooderham, 1998).

Analytical school: An effective approach to strategy not only looks forward, it also looks back and seeks to learn for the future (Holden, 1995). To look ahead five years in an industry, it may be necessary to go back ten years to really see the trends. And these

trends are likely to have a far broader impact than we might think (Schreifer, 1998). Because relying on intuition is not enough. We need tools and methodologies that make this link visible (Amran & Kulatilaka, 1999). Therefore, the key to successful planning is to get the best fit between the chosen tools and techniques, the organization's current culture, capabilities and business environment and the desired outcome (Gooderham, 1998). Because tools work best when they are customized for company and its particular situation. (Schriefer, 1998). A more effective use of strategic tools and techniques could integrate strategic planning into the core management process (Webster & Keif, 1998).

Both schools: The tools one uses at each stage of the strategic management process, are not important in themselves but as the means of encouraging the creative and analytical mindset (Herackous, 1998). Actually, what we need is a process that is sufficiently tight to give structure to our thinking, but sufficiently loose to give fullest expression to our intuition and imagination. Because in the complex world we live in, most frequently the best, if not the viable, solution forces us to embrace opposites (Wilson, 1998).

Organizations have had to rethink their approach towards management and to search for new concepts and methods that give guidance in this turbulent environment. Two important changes have occurred in recent years. The shift from centralized planning department to decentralized divisions or business units. And the shift of responsibility for strategic planning from staff personnel to line managers. Both these changes are clearly a response to the lack of support for corporate plans by line managers (Bonn & Christodoulou, 1996). Also, organizations need to spend the bulk of their time working carefully on defining and understanding what business they are in and what value they add (Schriefer, 1998; Simpson, 1998).

The Objective of the Study

Based on the above survey of the literature, one can see the importance of the strategic planning process and how vital the use of its tools is to produce the expected benefits of such a process. It is even more important in companies that operate in developing countries. Earlier study did prove that there is awareness about the concept of planning activities in Saudi organizations (Alghamdi & Alwuhaibi, 2001). This study attempts to contribute to this area of research and fill part of the gap in the literature by identifying the level of strategic planning tools and technique usage in Saudi companies. The prime question that shall be answered is to what extent Saudi business organizations do make use of strategic planning tools and techniques in their planning activities.

Methods

The fact that this research is the first of its type in Saudi Arabia makes the exploratory design more appropriate than any other designs. However, there are number of similar studies have been made in nearby countries such as Bahrain and Jordan. I assume in the near future, there should be enough research to lay the foundation for hypotheses based studies.

The sample population for the study included manufacturing organizations (energy, petrochemicals, cement producers, and other productions factories) and service organizations (banks, insurance companies, hotels, transportation, retail, and training institutions). The study concentrates on top Saudi companies that generate the highest turnover. The sample was based on the latest list of top 1,000 Saudi companies that published in 1997-98. The top 300 companies were selected from the list with a turnover ranges from SR 142 million to 152 billion. The questionnaire was sent to the company's president in each of those 300 companies. A first mailing and one follow-up generated 72 complete responses and all of them are usable. This resulted in 24% response rate.

A questionnaire was developed for this purpose primarily adopting the one developed and used in the Khan and Buarki (1992) study with modifications. The questionnaire is divided into two parts. One part seeks background information on the nature of business, sales volume, ownership type, and where do operate in Saudi Arabia. The other part is the level of usage of 15 strategic planning tools.

Findings and Discussion

The findings of the study are summarized and presented in Tables 1-13. Each planning tool and technique will be briefly introduced then the findings will be discussed after that.

SWOT Analysis

A SWOT analysis is an analytic tool that assists a planner in determining the highest resource priorities to capitalizing on opportunities, thwart competitor's initiatives, identify and exploit advantages and shore up the weaknesses.

Table (1) shows that almost (28) per cent of the respondents use SWOT frequently, while a quarter of them (25 per cent) have not used it. Manufacturing and financial firms use this technique more frequently (42 per cent) than service firms (21 per cent).

It seems that large number (37 per cent) of other service firms e.g. contracting and trading, IT, and other service sector, do not use SWOT analysis. However, low number (11 per cent) of this type of firms said that they use it regularly and another 30 per cent said that they have somewhat used it.

When comparing small vs. large turnover firms – in terms of annual sales -, it seems that large turnover firms use SWOT analysis more regularly (21 per cent) than small turnover firms (7 per cent). More surprisingly, the percentage of not using SWOT technique by large turnover firms is greater (34 per cent) than it is in small turnover firms (20 per cent).

When the ownership of the firms was considered, it appeared that 25 per cent of single and family ownership firms use SWOT frequently, 32 per cent said that they somewhat use it, and another 25 per cent said that they do not use it at all. Business group firms never regularly (0 per cent) use it, while they are 31 per cent frequently and also somewhat use it. Large numbers of this type of firms (38 per cent) do not use SWOT technique at

all. On the other hand, 18 per cent of joint venture firms said that they use it regularly, somewhat use it, and do not use it at all. Moreover, 24 per cent of these types of firms frequently and also rarely use it.

Another review to the same table shows that large numbers of firms operating inside Saudi Arabia (41 per cent) do not use SWOT analysis in their planning, where lower numbers of firms operating inside and outside Saudi Arabia (31 per cent) frequently and somewhat use it. To conclude, SWOT analysis technique seems to be a frequently used tool for strategic planning in Saudi Arabia.

Portfolio Analysis

Portfolio Management (PM) techniques are systematic ways of looking at a set of projects or activities or even business units, in order to reach an optimum balance between risks and returns, stability and growth, attractions and drawbacks in general, by making the best use of usually limited resources.

Table (2) reveals that large numbers of the respondents (47 per cent) do not use this type of analysis. A thorough look at that table demonstrates that mostly all different organizational categories do use this type of analysis except for financial firms, which somewhat use it (29 per cent). Joint venture firms have the largest percentage (18 per

Table (1)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used	N
1. All Firms	12.5	27.78	26.39	8.33	25	72
2. Manufacturing Firms	6.9	41.38	20.69	10.34	20.69	29
3. Service Firms	14.71	20.59	26.47	8.82	29.41	34
4. Financial Firms	28.57	42.86	14.29	14.29	0	7
5. Other Service Firms	11.11	14.81	29.63	7.41	37.04	27
6. Small Turnover Firms	7.32	31.71	31.71	9.76	19.51	41
7. Large Turnover Firms	20.69	24.14	17.24	3.45	34.48	29
8. Single & Family Ownership Firms	14.29	25	32.14	3.57	25	28
9. Business Group Firms	0	30.77	30.77	0	38.46	13
10. Joint Venture Ownership Firms	17.65	23.53	17.65	23.53	17.65	17
11. Other Ownership Firms	15.38	38.46	15.38	7.69	23.08	13
12. Operating Inside Saudi Arabia Firms	3.45	20.69	20.69	13.79	41.38	29
13. Operating Inside & Outside Saudi Arabia Firms	19.05	30.95	30.95	4.76	14.29	42
Average %	13.20	28.67	24.15	8.90	25.08	

cent) when talking about the regular use of portfolio analysis. On the other hand, large turnover firms have the greatest percentage (55 per cent) of not using this type of analysis.

Analysis of Critical Success Factors

Critical Success Factors (CSFs) are those things, which must occur in order for the company to continue to exist as a business. Some of the CSFs are overly obvious and can be stated a priori. Others will need to be developed through a close examination of the processes essential to producing and distributing the goods and/or services of the company. The CSFs are those things that are internal to the company; however, they may be dependent on external constraints. These, too, must be identified.

We can see in Table (3) that about one quarter (25 per cent) of the respondents said that they are regularly use critical success factors analysis and about 32 per cent said that they are frequently use it. Compared to 32 per cent responses of service firms and 43 per cent of financial firms, only 14 per cent of manufacturing firms in the study reported using this planning tool. However, 38 per cent of manufacturing firms said that they frequently use it.

Table (2)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly	Frequently	Somewhat	Rarely	Not	N
	Used	Used	Used	Used	Used	
1. All Firms	5.56	15.28	12.5	19.44	47.22	72
2. Manufacturing Firms	10.34	10.34	10.34	17.24	51.72	29
3. Service Firms	2.94	14.71	11.76	23.53	47.06	34
4. Financial Firms	0	0	28.57	28.57	42.86	7
5. Other Service Firms	3.7	18.52	7.41	22.22	48.15	27
6. Small Turnover Firms	4.88	17.07	4.88	29.27	43.9	41
7. Large Turnover Firms	6.8	13.79	20.69	3.45	55.17	29
8. Single & Family Ownership Firms	3.57	17.86	14.29	10.71	53.57	28
9. Business Group Firms	0	15.38	0	30.77	53.85	13
10. Joint Venture Ownership Firms	17.65	11.76	23.53	23.53	23.53	17
11. Other Ownership Firms	0	15.38	7.69	23.08	53.85	13
12. Operating Inside Saudi Arabia Firms	6.9	13.79	10.34	17.24	51.72	29
13. Operating Inside & Outside Saudi Arabia Firms	4.76	13.67	14.29	21.43	42.86	42
Average %	5.16	13.66	12.79	20.81	47.34	

Considering the ownership type of the organization, joint venture firms use critical success factor analysis most regularly (41 per cent), then business group firms (31 per cent), and lastly single and family ownership (21 per cent).

About quarter (24 and 26 per cent) of the respondents of both firms that operate inside Saudi Arabia only and inside and outside Saudi Arabia respectively, said that they use the critical success factor tool regularly. However, responses from firms operating inside Saudi Arabia about not using this tool seem to be higher (28 per cent) than firms operating inside and outside Saudi Arabia (10 per cent).

Porter's Five-Force Analysis

Named after Michael E. Porter, this model identifies 5 competitive forces that shape every industry and can identify weaknesses and strengths. These forces are:

1. Threat of new entrants.
2. Bargaining power of buyers.
3. Threat of substitute products or services.
4. Bargaining power of suppliers.
5. Rivalry among existing firms.

Table (3)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used	N
1. All Firms	25	31.94	15.28	9.72	18.06	72
2. Manufacturing Firms	13.79	37.93	17.24	10.34	20.69	29
3. Service Firms	32.35	29.41	17.65	5.88	14.71	34
4. Financial Firms	42.86	14.29	42.86	0	0	7
5. Other Service Firms	29.63	33.33	11.11	7.41	18.52	27
6. Small Turnover Firms	14.63	43.9	9.76	14.63	17.07	41
7. Large Turnover Firms	41.38	17.24	17.24	3.45	20.69	29
8. Single & Family Ownership Firms	21.43	42.86	3.57	14.29	17.86	28
9. Business Group Firms	30.77	15.38	7.69	23.08	23.08	13
10. Joint Venture Ownership Firms	41.18	23.53	23.53	0	11.76	17
11. Other Ownership Firms	7.69	38.46	30.77	0	23.08	13
12. Operating Inside Saudi Arabia Firms	24.14	34.48	6.9	6.9	27.59	29
13. Operating Inside & Outside Saudi Arabia Firms	26.19	30.95	21.43	11.9	9.52	42
Average %	27.00	30.28	17.31	8.28	17.13	

Frequently used to identify an industry's structure in order to determine corporate strategy, Porter's model can be applied to any segment of the economy in search for profitability and attractiveness.

Table 4 shows that large numbers of the respondents (61 per cent) do not use Porter's Five-Forces analysis, while the minority has regularly used it (1 per cent), or frequently used it (10 per cent).

This table also reveals very regular use among all sectors in applying this technique. However, compared to only 3 per cent of the answers from service firms and other service firms, 21 per cent of manufacturing firms in the study reported using this tool frequently, which suggests that they are probably more aware of this technique. Both received a low response rate (10 per cent) when companies were asked if they "frequently used" irrespective of size of annual sales turnover.

Experience Curve Analysis

This technique emphasizes that costs decline by a fixed percentage every time experience doubles. It encompasses all costs, such as capital, administrative, research, and marketing

Table (4)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly	Frequently	Somewhat	Rarely	Not	N
	Used	Used	Used	Used	Used	
1. All Firms	1.39	9.72	15.28	12.50	61.11	72
2. Manufacturing Firms	0.00	20.69	13.79	10.37	55.17	29
3. Service Firms	0.00	2.94	11.76	14.71	70.59	34
4. Financial Firms	0.00	0.00	28.57	0.00	71.43	7
5. Other Service Firms	0.00	3.70	7.41	18.52	70.37	27
6. Small Turnover Firms	2.44	9.76	12.20	14.63	60.98	41
7. Large Turnover Firms	0.00	10.34	20.69	10.34	58.62	29
8. Single & Family Ownership Firms	0.00	10.71	14.29	14.29	60.71	28
9. Business Group Firms	7.69	0.00	7.69	15.38	69.23	13
10. Joint Venture Ownership Firms	0.00	17.65	11.76	11.76	58.82	17
11. Other Ownership Firms	0.00	7.69	30.77	7.69	53.85	13
12. Operating Inside Saudi Arabia Firms	0.00	6.90	17.24	6.90	68.97	29
13. Operating Inside & Outside Saudi Arabia Firms	2.38	9.52	14.29	16.67	57.14	42
Average %	1.07	8.43	15.83	11.28	62.85	

We can see in Table 5 that only 7 per cent of the respondents use this tool regularly, while larger numbers of them (21 per cent) frequently and somewhat use it. However, it is obvious that large number of firms (35 per cent) do not use experience curve analysis as a planning tool.

Compared to its limited regular use by service firms (6 per cent), a large number of these firms (47 per cent), and other service firms (41 per cent) reported that they do not use this technique. Table 5 also declares that large turnover firms use this tool regularly as double (14 per cent) as small turnover firms (7 per cent). On the other hand, small turnover said that they use it regularly (22 per cent) more than large turnover firms.

Compared to only 4 per cent of answers from single and family ownership firms and 0 per cent of business group firms, 18 per cent of the answers from joint venture firms in the study reported that they use this tool regularly, which suggest that they are probably more aware of this technique. It is also stimulus to note that 14 per cent of firms operating inside Saudi Arabia use this tool regularly compared to 0 per cent of firms operating inside and outside Saudi Arabia.

Responses from both types of these firms concerning not using this technique were almost the same (35 per cent).

Table (5)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used	N
1. All Firms	6.94	20.83	20.83	16.67	34.72	72
2. Manufacturing Firms	10.34	20.69	27.59	20.69	20.69	29
3. Service Firms	5.88	17.65	17.65	11.76	47.06	34
4. Financial Firms	0.00	14.29	14.29	0.00	71.43	7
5. Other Service Firms	7.41	18.52	18.52	14.81	40.74	27
6. Small Turnover Firms	7.44	21.95	17.07	21.95	36.59	41
7. Large Turnover Firms	13.79	17.24	27.59	10.34	31.03	29
8. Single & Family Ownership Firms	3.57	14.29	17.86	21.43	42.86	28
9. Business Group Firms	0.00	30.77	23.08	15.38	30.77	13
10. Joint Venture Ownership Firms	17.65	29.41	17.65	11.76	23.53	17
11. Other Ownership Firms	7.69	15.38	30.77	15.38	30.77	13
12. Operating Inside Saudi Arabia Firms	13.79	20.69	17.24	13.79	34.48	29
13. Operating Inside & Outside Saudi Arabia Firms	0.00	21.43	23.81	19.05	35.71	42
Average %	7.27	20.24	21.07	14.85	36.95	

PIMS Analysis

Profit Impact of Market Strategy (PIMS) is based on conclusions drawn from the experience of more than 500 companies in nearly 3,800 businesses for periods from 2 to 12 years.

Table (6) shows that 8 per cent of the respondents use PIMS regularly and only 3 per cent use it frequently, while the majorities do not use it at all (69 per cent). This table also shows that among all sectors, business group firms use PIMS regularly the greatest (23 per cent). The lowest percentage of not using this technique among all the different sectors was 62 per cent and this gives an indication that there is a poor awareness in applying PIMS in all sectors.

'What if' Analysis

The feature of what if analysis allows the user of this tool to change the value of one or more variables to understand their impact on the overall outcome.

When looking at Table (7) we can see that 17 per cent of the respondents stated that they use this tool regularly, 18 per cent frequently, and 24 percent some what use it. However, large number of these respondents (69 per cent) said that they do not use what if analysis at all. We can see also in this table that both manufacturing and service

Table (6)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used	N
1. All Firms	8.33	2.78	5.56	13.89	69.44	72
2. Manufacturing Firms	6.90	3.45	6.90	10.34	72.41	29
3. Service Firms	8.82	0.00	2.94	17.65	70.59	34
4. Financial Firms	0.00	0.00	0.00	14.29	85.71	7
5. Other Service Firms	11.11	0.00	3.70	18.52	66.67	27
6. Small Turnover Firms	7.32	2.44	4.88	14.63	70.73	41
7. Large Turnover Firms	10.34	3.45	6.90	10.34	68.97	29
8. Single & Family Ownership Firms	0.00	3.57	7.14	10.71	78.57	28
9. Business Group Firms	23.08	0.00	0.00	15.38	61.54	13
10. Joint Venture Ownership Firms	0.00	5.88	5.88	23.53	64.71	17
11. Other Ownership Firms	15.38	0.00	7.69	7.69	69.23	13
12. Operating Inside Saudi Arabia Firms	6.90	3.45	3.45	13.79	72.41	29
13. Operating Inside & Outside Saudi Arabia Firms	9.52	0.00	7.14	14.29	69.05	42
Average %	8.28	1.92	4.78	14.23	70.77	

firms reported almost the same result of their regular use (17 per cent) of this technique, while service firms reported as double result (41 per cent) of not using it as manufacturing firms (21 per cent).

Planners in large turnover firms indicated that they use this tool regularly by (21 per cent), while it was lower (15 per cent) in small turnover firms.

Regarding the ownership type of the firm, both single and family firms and joint venture firms reported the same result (18 per cent) using 'what if' analysis regularly. Nevertheless, business group firms who stated that they use it regularly was only 8 per cent. Almost 30 per cent of responses from both business group and joint venture firms indicated that they do not use this tool, while this figure was 35 per cent from single and family firms.

The findings for this technique concerning the location of operation show that 14 per cent of firms operating inside Saudi Arabia use it regularly; in contrast to 19 per cent of firms operating inside and outside Saudi Arabia. It is interesting to see that more than half of the responses (52 per cent) from firms operating inside Saudi Arabia confirmed not using this tool.

Table (7)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used	N
1. All Firms	16.67	18.06	23.61	11.11	69.44	72
2. Manufacturing Firms	17.24	20.69	31.03	10.34	20.69	29
3. Service Firms	17.65	14.71	11.76	14.71	41.18	34
4. Financial Firms	28.57	14.29	0.00	28.57	28.57	7
5. Other Service Firms	14.81	14.81	14.81	11.11	44.44	27
6. Small Turnover Firms	14.63	17.07	31.71	12.20	24.39	41
7. Large Turnover Firms	20.69	20.69	13.79	6.90	37.93	29
8. Single & Family Ownership Firms	17.86	10.71	28.57	7.14	35.71	28
9. Business Group Firms	7.69	23.08	15.38	23.08	30.77	13
10. Joint Venture Ownership Firms	17.65	23.53	17.65	11.76	29.41	17
11. Other Ownership Firms	23.08	15.38	30.77	7.69	23.08	13
12. Operating Inside Saudi Arabia Firms	13.79	6.90	20.69	6.90	51.72	29
13. Operating Inside & Outside Saudi Arabia Firms	19.05	26.19	23.81	14.29	16.67	42
Average %	17.64	17.39	20.28	12.75	34.92	

Stakeholders Analysis

Stakeholder Analysis identifies important groups of people or individuals that can have an influence on the organization. These Stakeholders can have their own objectives and views, which may differ and conflict with other Stakeholders. A Stakeholder Analysis is required to identify all the parties who are directly or indirectly affected by the enterprise's operations.

Results shown in Table (8) declare that almost half of all the respondents (49 per cent) stated that they do not use stakeholder analysis. On the other hand, about a fifth of them (19 per cent) reported that they frequently use it, and 10 per cent mentioned that they regularly and somewhat use it.

On the sectoral side, more than half of the respondents (63 per cent) from the service firms said that they don't use this tool. It is also clear that large number of respondents from the other sectors, e.g., manufacturing (45 per cent) and service (53 per cent), do not use stakeholder analysis. On contrast, about fifth of the respondents (21 per cent) from manufacturing firms said that the use it frequently.

The table also points out that large turnover firms use this technique more regularly (17 per cent) than small turnover firms (5 per cent). Nevertheless, respondents from small turnover firms said that they do not use stakeholder analysis (56 per cent) more than those from large turnover firms (41 per cent).

Table (8)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly	Frequently	Somewhat	Rarely	Not	N
	Used	Used	Used	Used	Used	
1. All Firms	9.72	19.44	9.72	12.50	48.61	72
2. Manufacturing Firms	10.34	20.69	10.34	13.79	44.83	29
3. Service Firms	11.76	17.65	8.82	8.82	52.94	34
4. Financial Firms	28.57	28.57	28.57	0.00	14.29	7
5. Other Service Firms	7.41	14.81	3.70	11.11	62.96	27
6. Small Turnover Firms	4.88	21.95	4.88	12.20	56.10	41
7. Large Turnover Firms	17.24	13.79	13.79	13.79	41.38	29
8. Single & Family Ownership Firms	3.57	7.14	10.71	14.29	64.29	28
9. Business Group Firms	0.00	38.46	0.00	7.69	53.85	13
10. Joint Venture Ownership Firms	29.41	29.41	5.88	5.88	29.41	17
11. Other Ownership Firms	7.69	15.38	15.38	23.08	38.46	13
12. Operating Inside Saudi Arabia Firms	3.45	13.79	3.45	10.34	68.97	29
13. Operating Inside & Outside Saudi Arabia Firms	14.29	23.81	14.29	11.90	35.71	42
Average %	11.41	20.38	9.96	11.18	47.06	

We can tell also that business group firms (0 per cent), single and family firms (4 per cent), and other ownership firms (8 per cent) use this tool regularly at a very low level compared to joint venture firms (29 per cent). Joint venture firms have the same response rate (29 per cent) when they were asked about their frequent or not using this technique.

Firms that operate inside and outside Saudi Arabia seem to use this technique a little more regularly (14 per cent) than those firms that operate inside Saudi Arabia only (3 per cent). When respondents from these two types of firms were asked about not using stakeholder analysis as a strategic tool, answers from firms operating inside Saudi Arabia were almost as double (69 per cent) as those that operate inside Saudi Arabia only (36 per cent). However, quarter of respondents (24 per cent) from firms operating inside and outside Saudi Arabia said that they use it frequently, compared to only 14 per cent from firms operating inside Saudi Arabia.

Value Chain Analysis

Value chain analysis is a powerful managerial tool for identifying which activities have competitive advantage potential. A firm's competitive edge is based on its ability to perform competitively crucial activities along value chain better than rivals.

A review of Table (9) indicates that about one-quarter (22 per cent) of the respondents use value chain analysis frequently, whereas 17 per cent said that they somewhat use it, and a high number (42 per cent) reported that they do not use it at all.

Table (9)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used	N
1. All Firms	5.56	22.22	16.67	13.89	41.67	72
2. Manufacturing Firms	3.45	31.03	20.69	10.34	34.48	29
3. Service Firms	5.88	11.76	14.71	14.71	52.94	34
4. Financial Firms	0.00	14.29	0.00	0.00	85.71	7
5. Other Service Firms	7.41	11.11	18.52	18.52	44.44	27
6. Small Turnover Firms	7.32	14.63	17.07	14.63	46.34	41
7. Large Turnover Firms	3.45	34.48	0.00	13.79	31.03	29
8. Single & Family Ownership Firms	7.14	14.29	10.71	25.00	42.86	28
9. Business Group Firms	0.00	15.38	15.38	7.69	61.54	13
10. Joint Venture Ownership Firms	11.76	41.18	23.53	0.00	23.53	17
11. Other Ownership Firms	0.00	23.08	15.38	15.38	46.15	13
12. Operating Inside Saudi Arabia Firms	10.34	20.69	20.69	3.45	44.83	29
13. Operating Inside & Outside Saudi Arabia Firms	2.38	21.43	14.29	21.43	35.71	42
Average %	4.98	21.20	14.43	12.22	45.48	

It is interesting to note that manufacturing firms, compared with relatively few service and other service firms (11 per cent), were frequent users for this tool. In addition, a deep review of this table shows that joint venture firms were the greatest (41 per cent and 12 per cent) among all other sectors in their frequent and regular use of this tool respectively. On the other hand, business group firms (62 per cent) and service firms (53 per cent) were the highest when asked about not using this technique.

Benchmarking

Benchmarking is the process of measuring your operations against similar operations elsewhere to improve your business processes. The purpose of benchmarking is to improve products and processes to better meet customer needs. The linkage of the business process to customer needs is critical to effective benchmarking.

Table (10) shows that almost one-fifth of all respondents use benchmarking regularly (19 per cent) and also nearly the same (21 per cent) do not use it at all. Nevertheless, more than one-quarter (28 per cent) reported that they are frequent users of this tool. Joint venture firms were the greatest (47 per cent) among all different sectors in their regular use of benchmarking as a planning tool. Secondly come large turnover firms (31 per cent), and then both service firms and firms operating inside and outside Saudi Arabia (24 per cent). When looking at the organizational sectors, all the three sectors, manufacturing, service, and other service firms, reported almost the same answers (27 per cent, 26 per cent, and 26 per cent) respectively in respect to their frequent use of benchmarking. However, responses from service firms (24 per cent) showed that they do not use this tool more than those from manufacturing firms (14 per cent).

Table (10)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used	N
1. All Firms	19.44	27.78	23.61	8.33	20.83	72
2. Manufacturing Firms	17.24	27.59	37.93	3.45	13.79	29
3. Service Firms	23.53	26.47	14.71	11.76	23.53	34
4. Financial Firms	42.86	28.57	14.29	14.29	0.00	7
5. Other Service Firms	18.52	25.93	14.18	11.11	29.63	27
6. Small Turnover Firms	9.76	34.15	17.07	12.02	26.83	41
7. Large Turnover Firms	31.03	20.69	34.48	0.00	13.79	29
8. Single & Family Ownership Firms	14.29	21.43	21.43	7.14	35.71	28
9. Business Group Firms	7.69	38.46	15.38	15.38	23.08	13
10. Joint Venture Ownership Firms	47.06	17.65	11.76	11.76	11.76	17
11. Other Ownership Firms	7.69	46.15	46.15	0.00	0.00	13
12. Operating Inside Saudi Arabia Firms	13.79	24.14	17.24	10.34	34.48	29
13. Operating Inside & Outside Saudi Arabia Firms	23.81	28.57	28.57	7.14	11.90	42
Average %	21.29	28.28	22.83	8.67	18.87	

Large turnover firms use benchmarking more regularly (31 per cent) than small turnover firms (10 per cent). On the other hand, small turnover firms use this tool more frequently (34 per cent) than large turnover firms (21 per cent). In contrast, responses from small turnover firms were as double (27 per cent) as those from large turnover firms when asked about not using benchmarking analysis.

Compared to only 21 per cent of single and family firms and 18 per cent of joint venture firms, 38 per cent from business group firms in the study reported using benchmarking frequently. In contrast, 36 per cent of single and family firms reported not using this technique at all compared to only 23 per cent from business group firms and 12 per cent from joint venture firms. Benchmarking is used more regularly (24 per cent) by companies operating inside and outside Saudi Arabia than companies operating only inside Saudi Arabia (14 per cent). However, the later do not use this tool in their strategic planning (34 per cent) as the former (12 per cent).

Product Life Cycle Analysis (PLC)

Conventional product life cycle management ideas suggest that products go through natural, evolutionary processes. In these processes, customer response, tech/operating issues and market conditions tend to evolve, impacting overall business profitability and power.

We can see in Table (11) that only 14 per cent of the respondents use PLC regularly and 13 per cent frequently, while the majority do not use it (40 per cent).

Table (11)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used	N
1. All Firms	13.89	12.50	22.22	11.11	40.28	72
2. Manufacturing Firms	17.27	10.34	24.14	10.34	37.93	29
3. Service Firms	11.76	11.76	17.65	11.76	47.06	34
4. Financial Firms	0.00	0.00	28.57	0.00	71.43	7
5. Other Service Firms	14.81	14.81	14.81	14.81	40.74	27
6. Small Turnover Firms	12.21	12.20	24.39	17.07	34.15	41
7. Large Turnover Firms	17.24	13.79	20.69	3.45	44.83	29
8. Single & Family Ownership Firms	14.29	14.29	14.29	14.29	42.86	28
9. Business Group Firms	7.69	15.38	15.38	15.38	46.15	13
10. Joint Venture Ownership Firms	23.53	17.65	23.53	5.88	29.41	17
11. Other Ownership Firms	7.69	0.00	46.15	7.69	38.46	13
12. Operating Inside Saudi Arabia Firms	17.24	13.79	17.24	10.34	41.38	29
13. Operating Inside & Outside Saudi Arabia Firms	9.52	11.90	26.19	11.90	11.90	42
Average %	12.86	11.42	22.71	10.31	40.51	

The table also shows that manufacturing firms use it more regularly (17 per cent) than service firms (12 per cent) and other service firms (15 per cent). In contrast, the highest response rate for not using this PLC was from service (47 per cent) compared to all other categories and sectors. Business group firms come next (46 per cent), while large turnover firms come third (45 per cent) in their answers of not using PLC analysis.

Joint venture firms, once again, are greatest type of firms to use PLC regularly (24 per cent). Results from this table demonstrate that despite being one of the oldest and most popular tools of strategic planning, too many of respondents are not good users of this technique.

Cognitive Mapping

Cognitive mapping is the process of building a system model from the perspective of how the people involved with it will understand it, what their mental model of it will be. The people in question might be end users of the system, or they might be serving as active components of the system itself.

Table (12) shows that this technique has a very low rate among all sectors. There was a high response rate for not using this tool (68 per cent). Among all the different categories under investigation in this study, firms operating inside Saudi Arabia obtained the highest score (14 per cent) when asked about the frequent use of cognitive mapping analysis. Joint venture firms come next (12 per cent) and manufacturing and small turnover firms come third (10 per cent).

Table (12)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used	N
1. All Firms	1.39	6.94	9.72	13.89	68.06	72
2. Manufacturing Firms	3.45	10.34	10.34	20.69	55.17	29
3. Service Firms	0.00	2.94	8.82	8.82	79.41	34
4. Financial Firms	0.00	0.00	0.00	0.00	100.00	7
5. Other Service Firms	0.00	3.70	11.11	11.11	74.07	27
6. Small Turnover Firms	0.00	9.76	12.20	12.20	65.85	41
7. Large Turnover Firms	3.45	3.45	6.90	17.24	68.97	29
8. Single & Family Ownership Firms	0.00	7.14	3.57	17.86	71.43	28
9. Business Group Firms	0.00	0.00	7.69	15.38	76.92	13
10. Joint Venture Ownership Firms	5.88	11.76	23.53	5.88	52.94	17
11. Other Ownership Firms	0.00	7.69	7.69	15.38	69.23	13
12. Operating Inside Saudi Arabia Firms	0.00	13.79	6.90	3.45	75.86	29
13. Operating Inside & Outside Saudi Arabia Firms	2.38	2.38	11.90	21.43	61.90	42
Average %	1.27	6.15	9.26	12.56	70.75	

Responses shown in that table indicate that this tool is probably not well known or planners are not familiar with it.

Delphi Technique

This is an excellent tool for gaining input from recognized sources of expertise, without the need for face-to-face meetings. It provides a highly disciplined way of addressing or solving a problem. It can be time consuming and the information gained is only as good as the selection of the experts.

Information shown in Table (13) shows that none of the respondents in the study use Delphi technique regularly, while very few of them use it frequently. For example, the highest response rate for using this tool frequently came from joint venture firms (6 per cent), then from small turnover firms (5 per cent), and lastly from manufacturing firms (3 per cent).

We can see in this table also that the response rate for not using this tool were the highest among all the other tables and results in this study. Thus, it is clear that the usage for this tool is very limited in Saudi Arabia, regardless of the type of businesses in which they operate in, size of the firm, type of the ownership, or the origin of operation of the firm.

Table (13)

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used	N
1. All Firms	0.00	2.78	9.72	11.11	76.39	72
2. Manufacturing Firms	0.00	3.45	6.90	17.24	72.41	29
3. Service Firms	0.00	0.00	11.76	8.82	79.41	34
4. Financial Firms	0.00	0.00	0.00	0.00	100.00	7
5. Other Service Firms	0.00	0.00	14.81	11.11	74.07	27
6. Small Turnover Firms	0.00	4.88	9.76	14.63	70.73	41
7. Large Turnover Firms	0.00	0.00	10.34	6.90	82.76	29
8. Single & Family Ownership Firms	0.00	3.57	7.14	10.71	78.57	28
9. Business Group Firms	0.00	0.00	7.69	7.69	84.62	13
10. Joint Venture Ownership Firms	0.00	5.88	17.65	11.76	64.71	17
11. Other Ownership Firms	0.00	0.00	7.69	15.38	76.92	13
12. Operating Inside Saudi Arabia Firms	0.00	0.00	6.90	10.34	75.86	29
13. Operating Inside & Outside Saudi Arabia Firms	0.00	0.00	11.90	11.90	76.19	42
Average %	0.00	1.58	9.40	10.58	77.90	

Conclusion and Implications

On average, out of the 72 firms investigated, only almost 10 per cent of the planners reported using these techniques regularly with an additional 17 per cent saying they use them frequently – see Table 14. The most regularly and widely used technique is analysis of critical success factors, followed by benchmarking, and then what-if analysis. SWOT analysis, product life cycle, and stakeholder analysis had received moderate use, while PIMS, experience curve, portfolio analysis, and value chain analysis had received very limited use. Finally, Delphi, cognitive mapping, and Porter's Five-Force analysis were found to be the least used tools and techniques – see Table (15).

On the sectoral analysis, the 17 joint venture firms in the study, which have local and international involvement, and the 29 large turnover firms declared the greatest use of many strategic planning tools compared with the other sectors under investigation– see Tables (2-13). This is probably because of the nature of the business environment of these sectors, which might be different from the other sectors. Moreover, Planners in these sectors might be more professional in their planning approach.

Table (14) AVERAGE RESULTS: All Firms & Sectors

ORGANIZATIONAL BACKGROUND INFORMATION	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used	N
1. All Firms	9.72	16.77	16.24	12.50	44.77	72
2. Manufacturing Firms	9.20	19.90	18.30	12.73	40.05	29
3. Service Firms	10.41	13.12	13.57	12.44	50.45	34
4. Financial Firms	13.19	12.09	15.39	7.69	51.65	7
5. Other Service Firms	9.69	13.39	13.06	13.67	50.14	27
6. Small Turnover Firms	7.14	18.57	15.20	15.20	44.09	41
7. Large Turnover Firms	14.32	14.85	16.18	7.96	45.36	29
8. Single & Family Ownership Firms	7.69	14.84	14.29	13.19	50.00	28
9. Business Group Firms	9.50	17.16	11.24	14.79	50.30	13
10. Joint Venture Ownership Firms	17.65	19.91	17.49	11.31	33.94	17
11. Other Ownership Firms	7.10	17.16	22.48	11.24	42.01	13
12. Operating Inside Saudi Arabia Firms	8.75	14.85	12.10	9.81	53.05	29
13. Operating Inside & Outside Saudi Arabia Firms	10.26	16.10	18.68	14.47	39.38	42
Average %	10.36	16.05	15.71	12.08	45.78	

Out of all respondents, on average, almost half of them (45 per cent) reported that they do not use these strategic tools. As a result, an obvious need for learning strategic planning tools and techniques is necessary. Nowadays, there are so many business schools and training centers around the world offer a variety of training programs in courses such as Strategic Planning, Corporate Planning, and Corporate Policy. Such courses and programs should place emphasis on the planning process, including it's techniques and tools.

Footnote

The author acknowledges the support given by KFUPM administration to complete such research. Many thanks go to Mr. Salah Hakim who had contributed greatly in encoding the data of the study. Thanks also go to Mr. Sami Alwuhaibi and Abdurrahman Alhashmi who collected the original data of the study. Their contribution was part of their MBA requirements for graduation.

Table (15) AVERAGE RESULTS: Strategic Planning Tools & Techniques

PLANNING TOOLS & TECHNIQUES	Regularly Used	Frequently Used	Somewhat Used	Rarely Used	Not Used
1. SWOT Analysis	13.20	28.67	24.15	8.90	25.08
2. Portfolio Analysis	5.16	13.66	12.79	20.81	47.34
3. Analysis of Critical Success Factors	24.00	30.28	17.31	8.28	17.13
4.Porter's Five-Forces Analysis	1.07	8.43	15.83	11.28	62.85
5.Experience Curve Analysis	7.27	20.24	21.07	14.85	36.95
6. PIMS Analysis	8.28	1.95	4.78	14.23	70.77
7. What if Analysis	17.64	17.39	20.28	12.75	34.92
8. Stakeholders Analysis	11.41	20.38	9.96	11.18	47.06
9. Value Chain Analysis	4.98	21.20	14.43	12.22	45.48
10. Benchmarking	21.29	28.28	22.83	8.67	18.87
11. Product Life Cycle Analysis	12.86	11.42	22.71	10.31	40.51
12. Cognitive Mapping	1.27	6.15	9.26	12.56	70.75
13. Delphi	0.00	1.58	9.40	10.58	77.90
Average %	9.88	16.13	15.75	12.04	45.82

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